

COASTAL CONSERVANCY

Staff Recommendation
December 11, 2003

HAMMONS ACQUISITION AND RESTORATION

File No. 01-059
Project Manager: Timothy Duff

RECOMMENDED ACTION: Authorization to amend the Conservancy's January 24, 2002 authorization for disbursement of planning funds to the Bay Foundation of Morro Bay to authorize use of these funds for preparation of conceptual design and preliminary engineering plans and cost estimates for future restoration of the Hammons Ranch property.

LOCATION: Coastal Zone at the base of Hollister Peak, within the Morro Bay Watershed, unincorporated San Luis Obispo County (Exhibit 1)

PROGRAM CATEGORY: Coastal Resource Enhancement

EXHIBITS

Exhibit 1: Aerial Photograph of Site

Exhibit 2: January 24, 2002 Staff Recommendation

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31251-31270 of the Public Resources Code:

"The State Coastal Conservancy hereby amends its January 24, 2002 authorization regarding disbursement of funds to the Bay Foundation of Morro Bay for restoration planning to authorize use of these funds for preparing conceptual design and preliminary engineering plans and cost estimates, subject to the following condition:

Prior to disbursement of any funds for preparation of the conceptual designs, preliminary engineering plans and cost estimates, the Bay Foundation of Morro Bay shall submit for the review and approval of Executive Officer written evidence that it has available to it an amount totaling no less than two hundred thousand dollars (\$200,000) in non-state funds for the purpose of preparing the restoration plans; and a work program, budget, schedule and the names of any contractors or subcontractors to be employed for these tasks."

Staff further recommends that the Conservancy adopt the following findings:

"Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The proposed authorization remains consistent with the Conservancy's January 24, 2002 authorization and findings regarding the Conservancy's enabling legislation; Project Selection Criteria and Guidelines; Coastal Act; and Local Coastal Program Policies (Exhibit 2).
 2. The project is consistent with the goals and objectives of the Conservancy's Strategic Plan."
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PROJECT SUMMARY:

On January 24, 2002, the Conservancy authorized funding to the Wildlife Conservation Board for its acquisition of the 580-acre Hammons Ranch property. At that time, funds were also authorized for disbursement to the nonprofit Bay Foundation of Morro Bay (Bay Foundation) for preparation of a management and restoration plan for the property, including final design drawings, bid specifications, and cost estimates (Exhibit 2). The acquisition was completed earlier this year, but the Bay Foundation has determined that the cost to prepare the management and restoration plan, including final plans, bid specifications, and cost estimates for the proposed restoration, will exceed the \$100,000 provided by the Conservancy. The Bay Foundation is thus requesting that these funds be used instead for the preparation of conceptual designs, preliminary engineering plans, and cost estimates for the proposed restoration project.

In addition, a condition of the Conservancy authorization required the Bay Foundation to provide written evidence that it had available no less than \$400,000 for construction of the restoration project, and to provide such evidence prior to disbursement of the restoration planning funds. This condition was based on an expectation that this amount would be donated by the seller to the Bay Foundation for the proposed restoration. However, because the seller received approximately \$500,000 less from the transaction than expected, the donation was never made. As a result, the Bay Foundation has requested that this condition be amended to provide for its agreement to provide \$200,000 of its own funds toward completion of the proposed restoration planning project. The Bay Foundation will also be seeking additional grant funds from other sources for this purpose. In addition, the Bay Foundation has to date invested \$10,000 towards the preparation and initial implementation of an interim management plan for the property.

PROJECT FINANCING:

Coastal Conservancy	\$ 50,000
Bay Foundation	200,000
U.S. Fish and Wildlife Service	<u>50,000</u>
Total	\$300,000

The expected source of Conservancy funds is the Salmonid Restoration Fund from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000 (Proposition 12). Consistent with the fund purposes, the project would serve to enhance habitat for anadromous salmonids, including southern steelhead.

**CONSISTENCY WITH CONSERVANCY'S
STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):**

Consistent with **Goal 5 Objective A**, the project would serve to preserve, restore and enhance a an estimated 50 acres of coastal wetland and stream corridor in the Morro Bay watershed.

Consistent with **Goal 5 Objective B**, the project would serve to preserve and restore habitat corridors between core habitat areas along the coast and from coastal habitats to inland habitat areas.

Consistent with **Goal 6 Objective A**, the project would serve to preserve and restore riparian areas in a coastal watershed, including habitat for the southern steelhead.

Consistent with **Goal 6 Objective B**, the project would reduce erosion and sedimentation and thereby serve to improve water quality to benefit coastal resources, including the resources of the Morro Bay National Estuary.

COMPLIANCE WITH CEQA:

The proposed project is statutorily exempt from the provisions of the California Environmental Quality Act (CEQA) under 14 Cal. Code of Regulations Section 15262 in that it involves only project planning and design for possible future actions which the Conservancy is not now funding or approving, and will not have a legally binding effect on future actions. Staff will file a Notice of Exemption upon Conservancy approval.